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C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 001476

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SUBJECT: CODEL BIDEN'S MEETING WITH ASIF ZARDARI

Classified By: Anne W. Patterson, for reasons 1.4 (b)(d)

¶1. (C) Summary. Pakistan People's Party leader Asif Zardari told Codel Biden February 19 that he is seeking U.S. advice on the way forward. He is meeting or talking with all parties in pursuit of some form of a national unity government but suggested the PPP would try to form a government with the smaller parties, i.e., without the parties of either Musharraf or Nawaz Sharif. Zardari carefully said it was up to the party to decide if he should run in a by-election (a required step to becoming Prime Minister). Whether he could form a coalition with Musharraf would depend on Musharraf accepting the "will of the people" and recognizing that his power was now significantly weaker. Ambassador agreed to meet Zardari for a one-on-one meeting February 20.

(C) Senators Biden and Kerry urged that Zardari "look forward" rather than focusing on past grudges. If Pakistan could show it was maturing politically, Senator Biden could support radical increases in assistance to move from a transactional relationship to one based on long-term priorities beyond the fight against terrorism. End Summary.

¶2. (C) Senators Joseph Biden, John Kerry and Chuck Hagel and Ambassador met February 19 with Pakistan People's Party (PPP) Co-Chairman Asif Zardari at the Ambassador's residence. Also attending were Senate Foreign Relations Committee Director Tony Blinken, SFRC Staffer Jonah Blank, SFRC Staffer Frank Lowenstein and Deputy Chief of Staff for Sen Hagel Ryon Ryu, and Polcous (notetaker). Attending for the PPP were Information Secretary Sherry Rehman, Chief Aide Brigadier Aman and head of the party's election analysis center Tariq Malik.

¶3. (C) Zardari thanked the delegation for its congratulations on the PPP's showing in the polls February 18, noted that he had campaigned calling for a national unity government and said this was the current mood of the people. He would reach out to all parties, including those which boycotted the elections. Zardari had been to Nawaz Sharif's house in Lahore twice and had spoken recently to the Pashtun-based Awami National Party that had done well in elections in the Northwest Frontier Province. He had also spoken with the Muttahida Quami Movement (MQM) party that ruled Karachi. It might be possible to work with the smaller parties. The magic number required to form a coalition was 172; he expected the PPP to have 100 seats by mid-day, a total that would rise to 130 if the reserved seats for women and minorities (allocated according to the percent each party

won) were added. The PPP would meet the afternoon of February 19 and on February 20 to discuss the way forward.

¶4. (C) Asked if he would run in a by-election, Zardari demurred, saying only "if the party agrees." Senator Hagel asked about Bilawal Bhutto's role; Zardari said he was young, 19 years old, and an inspiration to the 60% of Pakistanis under the age of 25. But Zardari worried about his security vulnerability and said Bilawal needed to be acclimatized to Pakistan and gradually learn to accept responsibility.

¶5. (C) Ambassador asked about the mechanics of forming a government. The Pakistan constitution did not require the President to call upon the largest vote winner to form a party. Zardari said there were strong hurdles to overcome to form a coalition, but he planned to try and form an agreement before Parliament met and Musharraf called upon any one leader to form a government.

Coalition with Musharraf?

¶6. (C) Whether he could work with President Musharraf in forming a government, Zardari said, would depend on Musharraf's willingness to respect the people's mandate and not attempt again to break the PPP apart. (Note: this is a reference to 2002 when Musharraf coaxed 26 PPP members to split from the party and support formation of a government led by the Pakistan Muslim League.) He did not want chaos, but Musharraf needed to accept reality. Zardari said he had been in contact with Musharraf or his representatives on a regular basis. Much will depend on Musharraf's political strength, which is now "significantly weaker." But Musharraf

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"has some bad habits" and it will be important to be careful and not provoke "totalitarian" reactions. Senator Kerry asked if Musharraf was cornered; Zardari said no--Musharraf was weaker but not cornered. Zardari suggested that it was time Musharraf accepted a diminution of power and perhaps "play some golf." Much, however, would depend on the support of "the person sitting here" (the U.S. Ambassador). "We will look forward to taking her advice and being guided."

¶7. (C) Senator Hagel asked if Zardari expected or wanted Musharraf to resign. Zardari responded that he would "have to go back to the party" on that issue. Personally, we wanted "no headlines."

..With Nawaz?

¶8. (C) Ambassador noted that Nawaz Sharif's Pakistan Muslim League-N party had done surprisingly well in the polls and asked if Zardari could work with them in a coalition. We knew there was a history between them. Zardari insisted that any animosity had been buried long ago. Noting "I was the victim of torture" at Nawaz's hands, he nonetheless has forgiven him; "Nawaz knows this."

Army's Role

¶9. (C) Senator Biden asked how the Army would respond to formation of a coalition government. Zardari said that Chief of Army Staff General Kayani was a positive force, well-meaning and strong. But his position needs to be strengthened and he needs more political support to fight extremism. Senator Biden asked if this meant selecting his own commanders; Zardari suggested the first step would be for Musharraf to move out of Camp House, the traditional home of the Army chief. "Put everyone in his role and all will get more power" Zardari said.

¶10. (C) Zardari appeared a bit confused about whether the Prime Minister or the President had the power to appoint

military commanders. He said that the PM had that right under the constitution, but Rehman intervened and said that Musharraf had taken that power and the PPP wanted to revert back to having the PM in control. Senator Biden noted that the relative power of the PM and President was a great concern of Benazir Bhutto's and understood this was an issue in her negotiations with Musharraf.

Look Forward

¶11. (C) When Zardari and Rehman began to describe election rigging, Senator Biden noted that the election was more fair than people had expected, and the complaints would not now convince most international observers. Zardari said it was certainly not "operation fair play" and that the PPP would have done better if the vote had been free and fair. He suggested "we should call a spade a spade" regarding the actions of Musharraf's party and the intelligence services. Senator Kerry suggested that Zardari not get stuck in the past. This was an opportunity to play an important role to pull all of Pakistan together.

¶12. (C) Senator Biden advised Zardari that his willingness to step forward and embrace the future rather than focus on settling past scores and grudges would determine how much additional financial assistance the Congress could provide to Pakistan. Senator Biden said he was prepared to radically increase unconditional long-term assistance for the people of Pakistan. But to convince his constituents that this was a good investment of U.S. tax dollars, Pakistan must show that it is maturing as a democracy; this meant not punishing those you hate. Zardari said he understood donor fatigue and was prepared to step forward.

¶13. (C) Senator Biden noted that it was to the credit of Pakistan that people came out to vote despite rigging, violence and intimidation. Senator Kerry noted that this was a critical moment; with different results, we might be seeing violent demonstrations on the street. Senator Biden said he strongly disagreed with President Bush's policy of focusing on Musharraf and calling him a democrat. But there has been

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a mood change in Washington, and we can move from a transactional relationship to a broader long-term relationship that is not just based on the fight against terrorism. To achieve that shift, Senator Biden asked Zardari to "help us help you."

¶14. (C) Zardari said he was looking forward to finding a mutual way forward to improve U.S.-Pakistan relations, to be responsive to U.S. concerns but also to improve Pakistan's image so that "there is no more the shock of seeing a Pakistani passport." It would be important to enhance the power of parliament and to work responsibly with the Army. Governing Priorities

¶15. (C) In response to a question from Senator Hagel, Zardari said he had not heard from the Indian government on the election. He planned to follow Benazir's philosophy on foreign and domestic policy. He would start by improving the status of the parliament.

¶16. (C) Senator Kerry asked about Zardari's domestic priorities. Zardari cited eradicating poverty and providing massive increases in education spending. Musharraf's economic growth had not trickled down to the people, and the education children are receiving is not producing the right results. The extremists, he claimed, had even started madrassas in the Punjab--they had a plan and were implementing it. Rehman added that job generation and extending Pakistani civil law to the FATA were also priorities.

¶17. (C) Responding to Senator Kerry's question of how the U.S. can help Pakistan be more effective in combating extremism, Zardari said he could only speak as a Pakistani, not as a leader who offers the U.S. advice. But people from the tribal areas were the first ones to welcome Benazir home, and the PPP had many contacts in the area. U.S. soldiers joined the Army in expectations of educational benefits; now they find themselves in Afghanistan where even hardened Soviet soldiers had problems. The militants are getting bolder, and we have not been successful at stopping them. President Karzai cannot continue fighting because there is money pouring in from "somewhere." Otherwise, how could the terrorists be so well trained and equipped?

Comment

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¶18. (C) Zardari was subdued, speaking quietly and exhibiting an enormous amount of humility for a party leader who had just won a huge electoral victory. While waiting for the delegation to arrive, he noted somberly that it was quite emotional to be staying in the house which Benazir left just before heading for the rally where she was killed. This was not really a day for celebration but one of remembrance.

¶19. (C) Humility aside, there are increasing signs that Zardari wants the job of Prime Minister for himself, but he must tread carefully within the PPP ranks. As in previous meetings, he was careful not to say that he wants Musharraf to resign or be removed from power. With three-fourths of the votes counted, the PPP appears to have a number of options to form a government, but it is unclear if Zardari can form a coalition with only the smaller parties, i.e., without Musharraf or Nawaz Sharif. Rehman confirmed that the PPP asked Nawaz Sharif to come to Islamabad for talks on February 21. Zardari asked for a one-on-one meeting with the Ambassador, which will occur on February 20, presumably to discuss U.S. views on formation of a coalition.

¶20. (U) Codel Biden did not have an opportunity to clear on this message.

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